

Message Text

CONFIDENTIAL

PAGE 01 COLOMB 02458 091241Z

73

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01

AID-05 SNM-02 DEAE-00 EB-07 AGR-05 TRSE-00 /077 W

----- 072944

R 091055Z JUL 76

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 5218

C O N F I D E N T I A L COLOMBO 2458

E.O. 11652:GDS

TAGS: PFOR, PINT, EINV, CE

SUBJECT: AMBASSADOR'S INTRODUCTORY CALL ON PRIME MINISTER

REF: A) COLOMBO 2386 B) COLOMBO 103

1. SUMMARY: IN A CORDIAL INTRODUCTORY CALL ON THE PRIME MINISTER JULY 3, I HAD A WIDE-RANGING DISCUSSION WITH HER ON VARIOUS POLITICAL AND ECONOMIC MATTERS. SHE IS CONFIDENT OF THE SUCCESS OF THE UPCOMING NON-ALIGNED SUMMIT OVER WHICH SHE WILL PRESIDE. SHE SEVERAL TIMES MENTIONED IMPENDING ELECTIONS BUT DID NOT SPECIFY A DATE (SHE IS UNDER NO COMPULSION TO DISSOLVE THE LEGISLATURE BEFORE MAY 1977). SHE DID, HOWEVER, SAY THAT BECAUSE OF THOSE ELECTION PLANS, SHE WOULD NOT BE ABLE TO ACCEPT PRESIDENT FORD'S INVITATION TO VISIT THE US THIS YEAR. SHE ALSO INDICATED HER INTENTION OF DELAYING ACTION UNTIL AFTER THE ELECTION ON HER FOREIGN INVESTMENT AUTHORITY LAW, INTENDED TO OFFER SOME GUARANTEES TO FOREIGN INVESTORS. END SUMMARY.

2. I CALLED ON PRIME MINISTER SIRIMAVO BANDARANAIKE JULY 3, THE DAY AFTER MY PRESENTATION OF CREDENTIALS TO THE PRESIDENT (REFTEL A), AND HAD AN HOUR-LONG CORDIAL DISCUSSION WITH HER, IN THE COURSE OF WHICH WE DISCUSSED A VARIETY OF POLITICAL AND ECONOMIC MATTERS. SHE INDICATED HER SATISFACTION WITH THE CURRENT STATE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 COLOMB 02458 091241Z

FO RELATIONS BETWEEN OUR TWO COUNTRIES, AND I COMMENTED

THAT IT WAS MY GOAL TO HELP MAINTAIN THE PRESENT CORDIAL TIES.

3. I PRESENTED PRESIDENT FORD'S LETTER TO THE PRIME MINISTER, WHICH REITERATED OUR INVITATION FOR HER TO VISIT WASHINGTON AT A MUTUALLY CONVENIENT TIME. SHE SAID THAT DESPITE THE FACT THAT SHE WOULD BE BRIEFLY IN NEW YORK IN THE FALL IN CONNECTION WITH REPORTING THE RESULTS OF THE NON-ALIGNED SUMMIT CONFERENCE TO THE GENERAL ASSEMBLY, SHE FELT THAT THE PRESSURE OF PENDING ELECTIONS WOULD PRECLUDE HER VISITING WASHINGTON AT THAT TIME. I GAINED THE IMPRESSION THAT SHE DEFINITELY WANTS TO GO AND WILL DO SO AFTER THE ELECTIONS, IF SHE IS RE-ELECTED. SHE DID NOT SPECIFY A DATE FOR ELECTIONS AND SHE IS NOT OBLIGATED TO DISSOLVE THE LEGISLATURE UNTIL MAY 1977.

4. MY MENTION OF HER EXTRA CABINET PORTFOLIOS (SHE IS MINISTER DEFENSE AND FOREIGN AFFAIRS) PROMPTED A COMMENT THAT SHE PARTICULARLY ENJOYED DEALING WITH FOREIGN AFFAIRS MATTERS. THIS LED INTO A DISCUSSION OF THE UPCOMING SUMMIT OF THE NON-ALIGNED MOVEMENT. I EXPRESSED OUR APPRECIATION FOR THE CONSTRUCTIVE, MODERATE APPROACH TAKEN BY

HER GOVERNMENT AND WISHED HER AND THE CONFERENCE COMPLETE SUCCESS. SHE IS CLEARLY PROUD OF HER RECORD IN PAST NAC'S AND MADE THE POINT THAT SHE AND TITO ARE THE ONLY ONES TO HAVE ATTENDED EVERY CONFERENCE. SHE EXPRESSED CONFIDENCE THAT THE PHYSICAL FACILITIES FOR THE SUMMIT ARE ADEQUATE AND THAT THE CONFERENCE WILL BE A SUCCESS.

5. AMONG HER DOMESTIC PROBLEMS, WE DISCUSSED NARCOTICS AND SMUGGLING. SHE SAID SOME OPIUM IS GROWN BUT IT IS DIFFICULT TO ERADICATE BECAUSE IT IS FOUND IN INACCESSIBLE JUNGLE AREAS. SHE BROUGHT UP THE PROBLEM OF COASTAL SMUGGLING BETWEEN SRI LANKA AND INDIA AND TOLD ME THAT THE GSL INTENDS TO PURCHASE NEW PATROL BOATS TO PROVIDE BETTER PROTECTION OF THE SHORE LINE.

6. WE DEALT WITH ECONOMIC ISSUES AT SOME LENGTH. I MENTIONED THE PENDING LEGISLATION (FOREIGN INVESTMENT AUTHORITY LAW) THAT WOULD OFFER SOME GUARANTEES TO FOREIGN PRIVATE

CONFIDENTIAL

PAGE 03 COLOMB 02458 091241Z

INVESTORS (REFTEL B) AND SAID IT WAS OF INTEREST TO US. SHE INDICATED THAT, BECAUSE OF THE IMMINENCE OF ELECTIONS, NO ACTION COULD BE EXPECTED UNTIL AFTERWARDS. SHE WOULD LIKE TO GO AHEAD WITH THE BILL NOW, BUT IF IT WERE TO BE BROUGHT UP AND PASSED, IT WOULD PRESENT THE OPPOSITION WITH AN ELECTION ISSUE, SINCE POSITIVE RESULTS COULD NOT BE DEMONSTRATED BEFORE THE ELECTION.

7. TO STRESS HER FEARS OF LEFTIST CRITICISM OF HER FOREIGN INVESTMENT POLICY, SHE CITED A CURRENT LOCAL CAMPAIGN OF LECTURES AND SEMINARS SPEARHEADED BY A CATHOLIC PRIEST IN OPPOSITION TO MULTINATION CORPORATIONS. THE PRIME MINISTER HERSELF DID NOT INDICATE ANY RESERVATIONS ABOUT MNC'S PROVIDED SRI LANKA HAD A MAJORITY ON BOARDS OF DIRECTORS.

8. HER GREAT INTEREST IN AGRICULTURAL DEVELOPMENT WAS EVIDENCED BY HER ENTHUSIASM ABOUT THE POTENTIAL BENEFITS OF THE MAHAVELI GANGA IRRIGATION PROJECT. I COMPLIMENTED HER ON THE PROJECT AND THE GREAT VALUE TO SRI LANKA FROM THE INCREASED ACREAGE FOR RICE CULTIVATION. SHE EXPRESSED THE HOPE THAT THE WORLD BANK WOULD ASSIST IN FUTURE PHASES OF THE PROJECT.

9. IT IS HER GOAL THAT THE COUNTRY BECOME SELF-SUFFICIENT IN FOOD. SHE BELIEVES AGRICULTURAL EXPANSION WILL BENEFIT SRI LANKA MORE THAN INDUSTRIAL DEVELOPMENT. SHE DOES NOT WANT TO EMULATE JAPAN BECAUSE OF ENVIRONMENTAL PROBLEMS THAT WOULD BE CREATED. SHE IS ALSO UNCONVINCED THAT INDUSTRIALIZATION WOULD NECESSARILY SOLVE SRI LANKA'S UNEMPLOYMENT PROBLEM, NOTING THAT AUTOMATION REPLACES WORKERS AND THAT GERMANY, U.K. AND U.S. ALSO FACE UNEMPLOYMENT PROBLEMS.

10. COMMENTS: OUR MEETING WAS WARM AND ENCOURAGING FOR OUR FUTURE RELATIONSHIP. IT WAS FOLLOWED BY ANOTHER DISCUSSION OF FORTH MINUTES DURATION AT MY BICENTENNIAL RECEPTION JULY 5. OF HER COMMENTS AT OUR FIRST MEETING, THE REMARKS ABOUT THE "IMMINENCE" (UNSPECIFIED) OF LECTIONS AND THE FURTHER DELAY IN THE FOREIGN INVESTMENT AUTHORITY LAW WERE NEW TO US AS DEFINITIVE STATEMENTS
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 COLOMB 02458 091241Z

FROM THE PRIME MINISTER BUT ARE NOT PARTICULARLY SURPRISING IN THE LIGHT OF AMBASSADOR KANAKARATNE'S SIMILAR RECENT COMMENT ON THE VISIT PROSPECTS.
REED

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: blochd0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976COLOMB02458
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760265-0770
From: COLOMBO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760776/aaaacofd.tel
Line Count: 158
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 COLOMBO 2386, 76 COLOMBO 103
Review Action: RELEASED, APPROVED
Review Authority: blochd0
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUN 2004 by izenbei0>; APPROVED <21 OCT 2004 by blochd0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AMBASSADOR'S INTRODUCTORY CALL ON PRIME MINISTER
TAGS: PFOR, PINT, EINV, CE, US, (BANDARANAIKE, SIRIMAVO), (REED, JOHN H)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006